

FILED

AUG 20 1999

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NEW JERSEY BOARD OF
CHIROPRACTIC EXAMINERS

STATE OF NEW JERSEY
DEP'T OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
BOARD OF CHIROPRACTIC EXAMINERS
OAL Docket No. BDSCE 09951-98N

IN THE MATTER OF THE SUSPENSION :
OR REVOCATION OF LICENSE OF :
JOSEPH T. RUANE, D.C. : Administrative Action
TO PRACTICE CHIROPRACTIC : FINAL ORDER
IN THE STATE OF NEW JERSEY :

This matter was presented to the State Board of Chiropractic Examiners by Peter Verniero, Attorney General of New Jersey, by Joan D. Gelber, Deputy Attorney General, by way of a five-Count Complaint filed June 3, 1998.

Dr. Ruane, who holds license number 38MC002481, is represented by Michael J. Keating, Esq., of Dughi & Hewitt. Respondent practices under the name of Willow Chiropractic Center, formerly in Little Silver and more recently at 197-A Wall St., West Long Branch, New Jersey.

The Complaint alleged, in significant part, the following matters: respondent's proffer of professional interpretations of spinal diagnostic ultrasound films for Medical Diversified Services, Inc. (M.D.S.I.)¹, a general business corporation not authorized to offer performance/interpretation and billing for health care services requiring professional licensure; respondent's billing to patients and/or insurance carriers for diagnostic medical testing services rendered by Willow Diagnostics, Inc., also

¹Complaint was filed against M.D.S.I. in the Superior Court of New Jersey, Chancery Division, Monmouth County, Docket MON-C-138-98. Judgment for permanent injunction, costs and penalties was entered by consent, filed February 23, 1999.

unauthorized to perform/interpret and bill for health care services requiring professional licensure; see Allstate v. Orthopedic Evaluations, Inc., 300 N.J.Super. 510 (App. Div. 1997) and on remand, 304 N.J.Super. 278 (App. Div. 1997). The Complaint further alleged improprieties in respondent's advertising practices; and his rendering of professional chiropractic services and billings to patient L.T. and her insurance carrier. The Complaint alleged numerous deviations from accepted standards of practice and from rules of the Board, as more fully set forth therein.

Among other matters, significant violations were alleged by the offering of "spinal diagnostic ultrasound testing" and "light reflection rheography", both of which are unrecognized as having any scientific merit during the pertinent time and at present. As such, respondent should have so advised patients and no fee should have been charged for the service.

It was further alleged that Dr. Ruane allowed M.D.S.I. to control significant portions of the professional test interpretation reports which he issued: the reports were issued on blank paper without Dr. Ruane's professional office address or telephone number, and many reports were undated. They were ultimately submitted in that form to carriers. Dr. Ruane also agreed to comply with M.D.S.I.'s directive that each report contain the paragraph: "Conclusion: These findings are consistent with the Histo Pathological component of the vertebral subluxation complex," although Dr. Ruane has acknowledged that the "conclusion" was of no practical benefit to the treating physician and, indeed, Dr. Ruane did not know whether a given patient had a vertebral subluxation. During the course of his independent contractor relationship with M.D.S.I. respondent was paid some \$45,000.

In addition, the Complaint alleged that respondent ordered unnecessary and also unacceptable diagnostic testing of patient L.T. and charged grossly excessive fees, and failed to maintain a

proper patient record. The Complaint further alleged misleading advertising in connection with his services as offered to a school sports team and to its potential members.

The various forms of misconduct were alleged to violate N.J.S.A. 45:9-14.5 and 45:9-41.27; 45:1-21(b), (c), (e) and (h); 45:1-25; N.J.A.C. 13:44E-2.1(c)(3), (6) and (10) and -2.1(h), (i), and (j); 13:44E-2.2, and -2.13.

Dr. Ruane, having considered the matter with counsel, has now determined to waive his right to trial on the charges at the Office of Administrative Law. He now enters a plea of no contest to the allegations.

For good cause shown,

IT IS, ON THIS 20th DAY OF AUGUST 1999:

ORDERED:

1. The license of respondent Dr. Ruane is hereby suspended for two years, with the first 6 months to be an active suspension and the remainder to be stayed as probation, on condition that respondent complies with all other conditions and requirements of this Order.

2. Respondent is assessed \$705.00 in investigative costs, to be paid to the State Board of Chiropractic Examiners within 10 days of the entry of this Order.

3. Respondent is assessed a penalty of \$2,500.00 payable to the Board within 10 days of the entry of this Order.² A Certificate of Debt shall be filed and interest shall accrue commencing September 1, 1999 in accordance with R. 4:42-11. The Board may authorize

²Although respondent unlawfully billed Prudential Property and Casualty Company the sum of \$1,735 for testing and devices prescribed to patient L.T., the carrier paid only \$89 toward the TENS unit. Thus, the reimbursement authority of N.J.S.A. 45:1-25 is not invoked herein by the Board.

installment payments, for good cause shown. If such arrangement is made, failure to make timely payments in accordance with the schedule on the first of each month shall result in the total sum being deemed due, owing and unpaid. Waiver of interest may be granted at the discretion of the Board, for good cause shown.

4. Dr. Ruane shall undertake and successfully complete 100 hours of continuing chiropractic education in the subject of diagnostics and chiropractic clinical analysis. The coursework description shall be submitted for prior Board approval, shall be commenced as soon as practicable, and shall be completed within two years of the entry of this Order.

5. With regard to any form of health-related diagnostic testing, whether invasive or noninvasive, respondent shall immediately cease and desist from offering and billing for any form of health-related diagnostic testing to the public (including to insurance carriers) in the form of an unlicensed general business corporation. Respondent and his corporate entities shall immediately cease and desist from completing testing requested but not yet performed; from billing for testing completed but unpaid; and from seeking to collect unpaid bills for completed testing.

6. Respondent shall immediately arrange for corporate dissolution of Willow Diagnostics, Inc. and of any other general business corporation under which he has offered professional health care services. Proof of such dissolution shall be submitted to the Board within 30 days of the entry of this Order.

7. In the event that respondent resumes professional practice during the probation period, and in the event that he offers spinal ultrasound diagnostic testing or light reflection rheography, such testing may be offered only in an accredited research setting and without fee. Respondent shall inform any inquirer (including any patient to whom respondent recommends such testing) that both of said tests are deemed experimental and that no charge may be made for experimental procedures.

8. In the event that respondent provides remunerated professional consultation services in the future, he shall fully identify himself verbally and on all written representations on a dated document by name, degree, professional office location and telephone number, and any such consultation shall be solely between licensed professionals. Respondent shall maintain a complete patient record of the data underlying his professional conclusions and shall make them available for inspection by the Board or by others authorized to review material justifying a claimed fee.

9. In the event that respondent prescribes and sells any durable medical equipment to his patients, he shall fully disclose in writing at the time of such prescribing the true cost to him of the item (including any vendor discount). The item shall be billed solely in the name utilized for the billing of the chiropractic treatment services and not in another name. Said disclosure notice shall be given to the patient and a signed copy shall be retained in the patient chart. Respondent shall not charge an excessive fee for any service or device.

10. With regard to the school examination matter, Dr. Ruane shall be mindful that a chiropractor may properly offer a comprehensive clinical examination and treatment services within his or her scope of practice in the State of New Jersey. This examination can be used to determine the presence or absence of any abnormalities which may require either a referral to another health care discipline or which may be amenable to chiropractic care. The chiropractor shall assure that parents are made aware that a school sports examination may not be able to evaluate for the presence of certain medical conditions which may contraindicate participation in the intended sports activity, and that follow-up by another health discipline may be indicated.

11. Dr. Ruane is admonished to assure that advertisements placed for him in school publications or other publications shall avoid misleading implications of services and licensure, such as

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are implied by the school flyer wording at issue in this matter. He shall assure that his name in advertisements is accompanied by his practice title or degree. Further, as the Pop Warner mandatory candy pickup for team participation was tied in, by its wording, to pickup at Dr. Ruane's office on the "examination day", and such phrasing could be interpreted as a coercion to the parent to have the child examined by Dr. Ruane, he shall henceforth avoid such a conflict.

12. The disciplinary guidelines attached hereto are incorporated in this Order.

SEPTEMBER 1, 1999

This Order shall be effective ~~upon~~ entry.

STATE BOARD OF CHIROPRACTIC EXAMINERS

By: Anthony C. DeMarco

Anthony DeMarco,

D.C., President

I have read and understood the contents of this Order, which shall be filed by the Board, and I agree to comply with its terms.

Joseph T. Ruane
Joseph T. Ruane, D.C.

Witness:

Dughi and Hewit
Dughi and Hewit, P.C.
Attorneys for Dr. Ruane